

AVOID FRAUD

Some companies or individuals may offer fraudulent “mortgage assistance relief” services by advertising so-called “loan modification experts” or “loss mitigation consultants”.

Here are a few tips to avoid being scammed:

- **Do not pay advance fees for loan modification assistance or delinquent mortgage counseling.** Charging advance or up-front fees for these services is illegal in Maryland.
- **Do not submit your payments to anyone other than your mortgage company,** unless you have your mortgage company’s written approval first.
- **Do not believe guarantees.** A reputable attorney or housing counselor will never promise that they can “save” your home, regardless of your circumstances.

Federal and state laws exist to protect homeowners from scams and fraud. If you feel you may be the victim of a loan modification scam or other foreclosure fraud, call the **Office of the Commissioner of Financial Regulation** at **1-888-784-0136** to report it and file a complaint, or visit us online at www.labor.maryland.gov/finance.



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Antonio P. Salazar, Commissioner

FORECLOSURE

What You Need to Know as a Maryland Homeowner



**OFFICE OF THE COMMISSIONER
OF FINANCIAL REGULATION**

Maryland Department of Labor

What You Need to Know About Foreclosure



The Foreclosure Process

*The following paragraphs summarize the **residential mortgage foreclosure process** in Maryland. This is not intended to constitute legal advice. For information particular to your situation, please contact an attorney or housing counselor.*

A mortgage company must send a **Notice of Intent to Foreclose (NOI)** before it can initiate foreclosure proceedings in court. The NOI is a warning to the homeowner that their mortgage company may file a foreclosure court action against them. It must be sent by certified mail at least 45 days before the court filing. If the homeowner is interested in avoiding foreclosure, they should contact the mortgage company for a review of alternative options. This review is commonly referred to as a loss mitigation analysis. A loss mitigation application should be included with the NOI.

If the mortgage company wishes to pursue foreclosure, they file an **Order to Docket** in the Circuit Court. This is the filing that opens the foreclosure case in court. The mortgage company must wait at least 90 days after the first missed payment before filing the Order to Docket. (For some loans, however, the mortgage company must wait at least 120 days before filing the Order to Docket, as required by federal law.)

After filing, a copy of the Order to Docket and accompanying documentation is personally served on the homeowner or left with another resident at the house. Among the included documents will be one of the following:

- **Final Loss Mitigation Affidavit**, if the mortgage company has completed its loss mitigation analysis and concludes there are no alternatives to foreclosure available.
- **Preliminary Loss Mitigation Affidavit**, if the mortgage company has not yet completed its loss mitigation analysis. Once the mortgage company completes its analysis and if there are no alternatives to foreclosure available, a Final Loss Mitigation Affidavit will be filed as well and then mailed to the homeowner.

For owner-occupied properties, the Final Loss Mitigation Affidavit will come with a "Request for Foreclosure Mediation" form. To participate in mediation, the homeowner must submit this form to the Circuit Court within the deadline provided for under Maryland law. During the mediation hearing, a neutral third-party will assist with the review of loss mitigation programs that may be applicable to the loan. More information about mediation can be found on the **Maryland HOPE website at www.MDHope.org**.

If there are no alternatives to foreclosure available, the property will be auctioned at a foreclosure sale. The sale may occur as soon as 30 days after the Final Loss Mitigation Affidavit is mailed; or if a mediation session is held, the sale may occur as soon as 15 days after mediation. After the sale, the homeowner may have as little as 45 days before they could face eviction.

Help is Available for Homeowners

*There are **FREE** resources available for homeowners!*

Non-profit housing counselors are professionally trained and certified to assist homeowners who are facing foreclosure. Counselors are available to meet in person or over the phone to evaluate household budgets, discuss any alternatives to foreclosure, and act as a liaison between the homeowner and their mortgage company.

Non-profit legal service agencies have pro-bono or low-bono attorneys who can provide personalized legal advice to homeowners. A homeowner may wish to consult an attorney if they need assistance after an Order to Docket has been filed, before attending a mediation hearing, or if they are considering bankruptcy. Please be aware that some of these agencies have income restrictions for client eligibility.

To find a non-profit housing counseling or legal service agency near you, call the **Maryland HOPE hotline at 1-877-462-7555** or visit the **Maryland HOPE website at www.MDHope.org**.

Questions or Concerns?

More information about foreclosure can be found on our website at www.labor.maryland.gov/finance. You may also contact the Commissioner of Financial Regulation's Consumer Services Unit by phone at **410-230-6077** or by email at DLFRComplaints-DLLR@maryland.gov.

